

POWER BALANCE IN ARGENTINA STILL UNCERTAIN

I. Brief but violent military revolt (16 June) in Argentina has altered power structure of government.

A. Dominant voice in the government has been reassumed by the Army (traditionally the arbiter of Argentine politics before Peron developed organized labor as his major base of power).

B. Durability of this change, however, remains to be seen. One test will be composition of new cabinet.

C. There has been considerable delay in announcing new cabinet (may be known by this weekend). We feel delay stems from diversity of groups and motives behind revolt--result: loose ends still not tied up.

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II. At present, the military (especially Minis-

ter of the Army Lucero) probably controls
the Argentine Government, [REDACTED]

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- [REDACTED]
- A. Government communiques continue to stress that the situation has returned to normal.
 - B. "State of siege" has been ended, Lucero returned to his regular duties.
 - C. Reported 28 June resignation of Peron's minister of interior and justice, Angel Borlenghi (whom army officials bitterly oppose and consider a Communist) now confirmed by him in press conference.
 - 1. Borlenghi told press his resignation "irrevocable," he plans travel abroad.

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Borlenghi was a major instigator

of the Church-State conflict.

Objective: apparently to halt

Peron's rightward trend of past

year, thereby making him more

dependent on leftist labor support.

3. His departure is triumph for
military.

III. High military leaders

☐ fear that civil war might result from
any immediate removal of Peron (whose party
won almost 68 percent of total vote in
April '54 congressional elections).

A. Military officials reportedly believe
Peron's ouster should not even be con-
sidered until after the military is
certain that the General Confederation
of Labor (CGT) has been disarmed.

B. Also want to make sure of position of
Army non-commissioned officers, who have
been specially favored by Peron.

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Peron has agreed to meet demands resulting from Army-Navy negotiations. Army officials, despite some distrust of Peron reportedly have agreed to allow Peron time to proceed alone in meeting these demands.

A. Major demands were: resignation of all cabinet officials, dropping conflict with Church, no punishment for navy men and "purging" of CGT.

B. Other evidence (in addition Borlenghi's departure) supports belief that Peron now responding to this Army pressure:

1. Announced resignation of all cabinet officials (23 June) "to give the president a free hand."
2. 27 June resignation of CGT Secretary-General Vuletich.

V. Physical location fleet units remains unresolved mystery at present.

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for Navy dissidents, being held back
until Army makes good its promises
(for instance, amnesty for arrested
officers).